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UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

HARTFORD FIRE INSURANCE
COMPANY, et al.

Plaintiffs,

v.

PACIFIC EMPLOYERS INSURANCE
COMPANY, et al.,

Defendants.

CASE NO. 2:13-cv-55-JCM (PAL)

JOINT
STATUS REPORT

Pursuant to this Court's January 8, 2015 Order (Dkt. No. 185), the parties hereby
provide the Court with the following Joint Status Report.

As described in more detail in the parties' Joint Interim Status Report dated August 19, 2014 (Dkt. No. 178), this action is effectively comprised of two parts: Part I involved the insurers' claims against the Shapiro Defendants¹ and the Trust Defendants² regarding whether there was or is an indemnity obligation arising from alleged environmental contamination at and emanating from property commonly referred to as Maryland Square Shopping Center. Part II involves claims between the insurance carriers for allocation and reimbursement of alleged defense costs incurred in the underlying litigation concerning the Maryland Square Shopping Center.

I. PART I

In accordance with various settlements, all claims by and against the Shapiro Defendants and Trust Defendants have been dismissed.

II. PART II

On October 21-22, 2014, the insurance carriers, the remaining parties to this case, engaged in mediation. A settlement in principle was reached among all parties.

On November 21, 2014, plaintiffs circulated a draft settlement and release agreement ("draft settlement agreement"). Proposed revisions to the draft settlement agreement were circulated by two carriers on December 2, 2014 and December 23, 2014, respectively. A third carrier, The American Insurance Company ("American"), has expressed concerns regarding the scope of the draft settlement agreement. In order to address these concerns, American has been communicating directly with counsel for the Shapiro Defendants and the Trust Defendants to secure the scope of

¹ The Shapiro Defendants include Shapiro Brothers Investment Corporation ("SBIC"), Estate of Philip Shapiro and Estate of Melvin Shapiro.

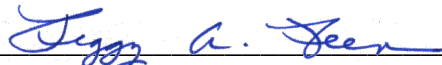
² The Trust Defendants include The Herman Kishner Trust, Irwin Kishner, as Trustee for The Herman Kishner Trust, Jerry Engel, as Trustee for the Herman Kishner Trust, Premier Trust, as Trustee for The Herman Kishner Trust, Maryland Square Shopping Center, LLC and Maryland Square, LLC.

1 release from these parties that would allow American to agree to the terms presently being
2 proposed by the other settling insurers in the draft settlement agreement.³ American believes that it
3 will likely reach agreement with the Shapiro Defendants. However, it is still in discussions with
4 counsel for the Trust Defendants. In the event American is unable to reach agreement with both the
5 Shapiro Defendants and Trust Defendants, it will not be in a position to approve of the terms
6 contained in the draft settlement and the parties will need to revise the proposed draft.
7

8 The parties will provide the Court with an update regarding the status of American's
9 revisions to the draft settlement agreement, if any, in 30 days.

10 Following the execution of the draft settlement agreement and receipt of settlement
11 payments to be made to certain parties, plaintiffs' complaint and all counter- and cross-complaints
12 will be dismissed.
13

14 **IT IS SO ORDERED** this 23rd day
15 of January, 2015.

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17 _____
18 Peggy A. Leen
19 United States Magistrate Judge
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26 _____
27 ³ Factors have influenced the timing of these communications, including the fact that certain counsel
28 previously involved in settlement discussions on behalf of the Shapiro Defendants is no longer representing
the Shapiro Defendants, and current counsel for the Shapiro Defendants was, until recently, out of the
country.

Dated: January 22, 2015

KARBAL, COHEN, ECONOMOU, SILK & DUNNE, LLC

/s/ Stacy S. Freel
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Admitted Pro Hac Vice

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Attorneys for Pacific Employers Insurance Company

CERTIFICATE OF SERVICE

I hereby certify that, on this 22nd day of January 2015, a copy of the **JOINT STATUS REPORT** was served via the Electronic Filing system on all parties who have registered for service as required by the Court's Order.

/s/ Julie Brown
An Employee of Olson, Cannon,
Gormley, Angulo & Stoberski